

MALL BUSINESS DEVELOPMENT CENTERS

Existing, start-up and entrepreneurial businesses can find confidential free business technical assistance, counseling and low-cost training through a network of ten statewide offices. Businesses can find assistance for business plan writing, marketing, management and financial analysis at mall Business Development Center (SBDC) offices located in local economic development organizations. The BDC is supported through a cooperative agreement with the U.S. Small Business Administration, the Dept. of Commerce and local host organizations. The SBDC offices provide an access point to local, state and federal business resources, as well as networking and mentoring opportunities.

For general information, call (406) 841-2747, email: tsbdc@mt.gov, or visit: <http://www.sbdcmontana.org>

SBDC Subcenter Locations

Big Sky Economic Development Authority - **Billings**
406-254-6014

Ballatin Development Corporation - **Bozeman**
406-587-3113

Southwest Montana Headwaters RC&D - **Butte**
406-782-7333

Southeastern Montana Development Corporation - **Colstrip**
406-748-2990

Great Falls Development Authority - **Great Falls**
406-453-8834

Bear Paw Development Corporation - **Havre**
406-265-4945

Gateway Economic Development Corporation - **Helena**
406-447-1512

Kalispell Area Chamber of Commerce - **Kalispell**
406-758-2802

Montana Community Development Corporation - **Missoula**
406-728-9234

Great Northern Development Corporation - **Wolf Point**
406-653-2590

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MICROBUSINESS DEVELOPMENT CENTERS

Montana has a network of regional MicroBusiness Development Corporations (MBDCs) that provide financing, training, and business assistance to help very small businesses expand or get started. Applicants generally must provide a business plan and other evidence to demonstrate the economic feasibility of the business and the ability to repay the loan from cash flow generated by the business. The intent of the program is to finance economically sound business projects that are not otherwise able to obtain financing from sources such as their local bank. Therefore, terms and conditions of each loan vary but the interest rates are generally slightly higher than bank rates. Refer to table on the back of this brochure for further details.

Montana Community Development Corp. (Missoula)
(406) 728-9234

Headwaters RC&D Area, Inc. (Butte)
(406) 782-7333

Gateway Economic Development Corp. (Helena)
(406) 447-1510

Bear Paw Development Corp. (Havre)
(406) 265-9226

Great Northern Development Corp. (Wolf Point)
(406) 653-2590

ENTREPRENEUR DEVELOPMENT PROGRAM

The Entrepreneur Development Program offers business management education courses in communities throughout Montana through the Small Business Development Center network. Utilizing the NxLevel Entrepreneur curriculum, classroom training is offered to business owners who are growing their companies and to individuals serious about starting their own business. Certified business professionals who have strong connections with the local community teach the courses. Over thirteen weeks, individuals learn planning, marketing and financial tools to build their businesses. Additional information regarding the program, business tools and classroom sites may be found at: <http://www.nxlevelmontana.org>.

The program supports the development of entrepreneurial networks by working with the Small Business Development Centers and their host organizations. The program is very active on the Indian Reservations in Montana by supporting classroom training, counseling, and individualized technical assistance for the Tribes.
Contact: (406) 721-3663

WORKING TOGETHER FOR MONTANA'S FUTURE

DATE 1-23-07
HB 286

Business Resources Division
MONTANA
Department of Commerce

Director: Anthony J. Preite

301 South Park Ave.
PO Box 200505
Helena, MT 59620-0505

www.businessresources.mt.gov

www.mtfinanceonline.com

www.business.mt.gov

Contact Numbers Inside
TDD: (406) 841-2702



Governor: Brian Schweitzer

"Economic development and business expansion is a top priority of my administration. When a person has a good paying job they are able to take care of themselves and their families and enjoy the best Montana has to offer."

Governor Brian Schweitzer

MISSION STATEMENT

The mission of the Business Resources Division is to assist the businesses and communities of Montana in achieving economic prosperity.

FINANCE INFORMATION CENTER

The 57th Legislature created the Finance Information Center in the Montana Department of Commerce. The purpose was to provide a source of information on all relevant state, federal, and local public finance programs in Montana. The Department of Commerce created the Finance Information Center through the reorganization of existing resources. The Finance Information Center includes the Regional Development Program (please see insert page), which provides direct technical assistance from the Center to citizens interested in accessing these and other finance programs in Montana.

One aspect of the Center was the development of a web site dedicated to providing information on public finance programs in Montana. The Finance Information Center has created and released the website, which provides a one-stop reference source for virtually all state, federal and local development based finance and technical assistance programs.
Contact: (406) 841-2732 www.mtfinanceonline.com

COMMERCE LOAN & DEVELOPMENT FUND

This Commerce program utilizes federal Community Development Block Grant (CDBG) funds to stimulate economic development activity by assisting the private sector to create or retain jobs for low and moderate income persons primarily through loans to businesses. Commerce grant funding is also available to companies for employee training and infrastructure. The program is designed to assist businesses by making fixed-rate financing available to them at reasonable interest rates, given the risk of the project, and to provide public improvements in support of economic development activities.

Commerce funds are intended to be used in situations where a funding gap exists and alternative sources of public and private financing are not adequate. Commerce provides flexibility in interest rates and loan terms to complement conventional business financing and other federal business financing programs. CDBG funding can provide payment deferments, lower payments in the first year and interest-only payments. Contact: (406) 841-2733

INTERNATIONAL AND TRADE RELATIONS

The Bureau provides information and technical assistance to help Montanans pursue business opportunities, both domestically and worldwide. Export trade and marketing specialists provide consultation and training for companies to successfully compete in new markets. The Bureau highlights Montana made products via an Online Products directory as well as promotes the use of "Made In Montana" labels to identify Montana products. It also offers a trade show assistance program. Overseas trade offices are maintained in Taipei, Taiwan and Kumamoto, Japan to promote agriculture, tourism, value-added products, and higher education opportunities to markets in East Asia. The Bureau also serves as the protocol and international liaison for the Governor's Office and the Department of Commerce. Contact: (406) 841-2757

SMALL BUSINESS INNOVATION RESEARCH (SBIR) AND TECHNOLOGY TRANSFER RESEARCH (STTR) FUNDING

The SBIR/STTR outreach program identifies and assists Montana companies applying for research and development grants from eleven federal agencies. The Small Business Innovation Development Act obligates federal agencies with extensive extramural research budgets to allocate a portion to the SBIR program. Nationwide, the SBIR program has provided extensive grants (more than \$1 billion) designed to stimulate true technological innovation and bring new high-risk products and services to market. Emphasis is on commercialization. Grants are designed to support feasibility studies, and prototype development/testing. The STTR program, similar to SBIR, involves only the five largest federal agency extramural research budgets, and mandates participation by a non-profit research institution such as a university. Goals for the Montana Department of Commerce SBIR/STTR outreach program are to secure portions of available funding for Montana companies and expand Montana's economic base. Contact: (406) 841-2749 <http://www.sbirr.mt.gov>

BOARD OF RESEARCH AND COMMERCIALIZATION TECHNOLOGY

The Board of Research and Commercialization Technology was created by the 1999 Montana Legislature to provide: a predictable and stable source of funding for research and commercialization projects; expand and strengthen research efforts for the state's basic industries to increase their economic impact on the state's economy; and expand research efforts into areas beyond the scope of the state's basic industries to diversify and strengthen the state's economic security through the creation of technology-based operations and long-term quality jobs.

The Board has the authority to make grants or loans to research and commercialization centers. Projects must have the potential to diversify or add value to a traditional basic industry of the state's economy, and show promise for enhancing technology-based sectors or commercial development of discoveries.
Contact: (406) 841-2760

CENSUS AND ECONOMIC INFORMATION CENTER

The Census and Economic Information Center (CEIC), the official source of census data for Montana, provides a comprehensive economic and demographic information resource for department, businesses, community groups, government, educators/schools, and families. In addition, CEIC is Montana's lead agency for the federal-state cooperative State Data Center (SDC) and Business/Industry Data Center (BIDC) programs with the U.S. Census Bureau. As the SDC lead, CEIC supports a statewide 29-member network. CEIC also provides access to and education on using Census data and other federal and state statistical resources, as well as supporting a special library collection of historical and current census documents in print and electronic format.

CEIC offers a variety of mapping, geographic, and GIS (geographic information system) data and services. We provide assistance to identify, acquire, and use data in a GIS; act as a clearinghouse of data and maps from the Census Bureau and other agencies; and provide technical assistance to develop GIS applications related to demographic and socioeconomic needs.
Contact: (406) 841-2740 <http://www.ceic.mt.gov>

	SBIR / STTR	MICRO-BUSINESS LOANS	CDBG-ED+	BOI INFRASTRUCTURE LOAN PROGRAM++	BOI FEDERAL GUARANTEE PURCHASE++
BORROWER GRANTEE	Small business by SBA guidelines	Small and start-up businesses	A local government on behalf of any business	A local government	Any business. An approved commercial lender and a federal guarantee (ex: SBA) are required
FUNDING LIMIT	Phase 1 - \$100,000 Phase 2 - variable to \$750,000	\$35,000	\$400,000 to any one local government in one program year	Minimum \$250,000 Maximum \$16,666 x # Basic Sector Jobs (min. 15)	The amount of the fe guarantee
USE OF PROCEEDS	Phase 1 - feasibility studies Phase 2 - prototype development & testing	Working capital, equipment and fixed assets	Working capital, equipment, real property, job training, infrastructure improvements	Build infrastructure for a business creating at least 15 jobs	Working capital, equip and real property
INTEREST RATE	N/A	Set by local lender	5% fixed - may be adjusted for risk	Fixed quoted weekly; eligible for interest rate reduction based on job creation	Fixed quoted weekly
TERM	Performance periods: Phase 1 SBIR - 6 mos. STTR - 12 mos. Phase 2 SBIR & STTR - 24 mos.	Working capital: 1-3 yrs Fixed Assets: 1-10 yrs	Working capital: 5-7 yrs Equipment: 5-10 yrs Real estate: 15-20 yrs	Maximum 25 years	Working capital: 3-5 Equipment: 5-7 yrs Real estate: 10-25 yrs
COLLATERAL	N/A	Reviewed on a case-by- case basis; set by lender	Can take a subordinate position, negotiable	Lien on infrastructure assignment of fees charged	Based on the require of the agency providi the guarantee
EQUITY REQUIREMENTS	N/A	Reviewed on a case-by- case basis; set by lender	Case-by-case	N/A	25-35% of the total co based on the project
PERSONAL GUARANTEES	N/A	Yes	Based on the borrower and the project	Based on business creating jobs	Yes
CREDIT CRITERIA	Review of business stability	Based on a business plan noting repayment ability, a credit report, and management quality	Based on the borrower and the project	Based on borrower and project	Based on the borrow and the project
MATCHING FUND REQUIREMENTS	Review of existing efforts	None	A dollar-for-dollar non- CDBG funds match	None	Borrowers may obtain additional funds from other source
AVERAGE APPLICATION TIME	2-6 months	1 month	30 days from receipt of the completed application	20 working days after local government submission, depending on application completeness	5 working days after b submission, depending the application's completeness
QUALIFICATIONS	Product commercialization viability	Businesses with 10 or fewer employees and gross revenues of less than \$500,000 per year	51% of jobs created for low to moderate income persons; \$25,000 per job created	Local governments only	For-profit or non-pro Montana business
BENEFITS AND MISCELLANEOUS		Business training and technical support through a local development organization; fixed-rate financing		Fixed-rate financing; business receives state income tax credit for each dollar of infrastructure fees it pays to amortize principal & interest	Fixed-rate financing or guaranteed portion fo the term of the loan
CONTACTS	Small Business Dev. Cntr/ SBIR, Business Res. Div. MT Dept. of Commerce 301 S. Park Helena, MT 59620 (406) 841-2749	MicroBusiness Fin. Prog. Business Resources Div. MT Dept. of Commerce 301 S. Park Helena, MT 59620 (406) 841-2751	Commerce Loan Fund Business Resources Div. MT Dept. of Commerce 301 S. Park Helena, MT 59620 (406) 841-2733	Lender: Board of Investments Helena (406) 444-0001	Board of Investments Helena (406) 444-0001

+Community Development Block Grant-Economic Development

++Board of Investments

	BOI LOAN PARTICIPATION PROGRAM++	BOI VALUE-ADDED PROGRAM++	EDA REVOLVING LOAN FUND	GROWTH THROUGH AGRICULTURE INVESTMENT AWARDS	GROWTH THROUGH AGRICULTURE SEED CAPITAL LOAN	SMALL BUSINESS ADMINISTRATION 7A
	Any business. An approved commercial lender is required	Any value-added business. An approved commercial lender is required	Qualified local and regional development corporations may receive grants for business loans	Individuals, corporations, or local governments	Individuals, corporations, or local governments	Must be a small business by SBA standards
eral	\$70 million for any one project (80% or 70% BOI, depending on size of loan)	Minimum \$250,000 based on creation or retention of 10 jobs. Maximum loan is approx. \$7.0 million (based on 1% of Coal Tax Trust) (75% BOI, Lender 25%)	No statutory limit - typical funding amounts are \$300,000 & may be recapitalized in the future	Up to \$50,000 per award, 3 awards up to \$150,000 allowed	Up to \$50,000 per award, 3 awards up to \$150,000 allowed	\$1.5 million guarantee limit
ent,	Equipment and real property	Equipment and real property	Recipients use funds to establish loan funds for business development	Marketing, development, consultants, for innovative value-added ag initiatives a) no repayment on some b) deferred loans: rate set depending on project	Development & commercialization capital	Working capital, equipment and real property
	Fixed quoted weekly	BOI: 2% 1 st 5 yrs for 15 jobs; 4% 1 st 5 yrs for 10-15 jobs; 6% 2 nd 5 yrs; BOI's posted rate the 3 rd 5 yrs + .5% service fee for lender. Lender: National prime rate with a floor of 6% & ceiling of 12%, adj annually	Based on recipient's revolving loan fund plan		(set by Ag Development Council annually)	Varies with the size of loan
s	Working capital: 3-5 yrs Equipment: 5-7 yrs Real Estate: 10-25 yrs	15 years	Depends on lender's revolving loan fund plan	Depending on project	Up to 7 years	Working capital: 7 yrs Equipment: 10 yrs Real Estate: 25 yrs
nts	First lien on BOI's 80% share	First lien shared proportionally between BOI & Lender (75/75)	Can take subordinate position, negotiable	Depending on project	1 st lien preference, can take 2 nd position	First lien preferred, based on lender requirements
,	25-35% of the lower of the cost or appraisal, based on the project	Minimum 25% of total loan amount	Based on recipient's revolving loan fund plan	N/A	Reviewed on a case-by-case basis	Reviewed on a case-by-case basis
	Based on the borrower (normally, yes)	Yes, shared proportionally with lender	Based on recipient's revolving loan fund plan & policies	Depending on project	Yes	Yes
	Based on the borrower and the project	Based on the borrower and the project	Based on a business plan, credit report, and feasibility analysis	Based on the project	Based on a business plan, credit report, and feasibility analysis	Based on the borrower and the project
y	Borrowers may obtain additional funds from any other source	Borrowers may obtain additional funds from any other source	Grant recipients must provide matching funds of 50%	1:1 non-state grants match required	1:1 non-state grants match required	Borrowers may obtain additional funds from other source
ik n	20 working days after bank submission, depending on the application's completeness	20 working days after bank submission, depending on the application's completeness	6-8 weeks	Quarterly application cycle: Jan. 31, April 30, July 31, Oct. 31 (2 months)	Executive Summary pre-approval, 3 months later, full approval (3-6 months)	10-15 working days after bank submission, depending on the application's completeness
	For-profit or non-profit Montana businesses	For-profit or non-profit Montana businesses. Business must meet value-added definition	Create/retain jobs in economically distressed areas	Emphasis on value-added agricultural marketing & economic development	Projects must embody innovative agricultural products or processes	Federal size standards small businesses
he	Fixed-rate financing on BOI's share	Low fixed-rate financing on BOI's share. Total \$50 million authorized for program. Dividend & bonus payments not allowed to investors. No prepayment penalty.	Revolving loan funds are normally used to leverage other loan funds			75% or 85% guaranteed by a local lender based on loan size
	Board of Investments Helena (406) 444-0001	Board of Investments Helena (406) 444-0001	US Dept of Commerce Economic Dev. Admin. PO Box 10074 Helena, MT 59626 (406) 449-5380	Montana Department of Agriculture PO Box 200201 Helena, MT 59620-0201 (406) 444-2402	Montana Department of Agriculture PO Box 200201 Helena, MT 59620-0201 (406) 444-2402	Small Business Administration 10 W 15 th Street Suite 1100 Helena, MT 59626 (406) 441-1081

SMALL BUSINESS ADMINISTRATION 504	RURAL DEVELOPMENT RBS+++	RESEARCH & COMMERCIALIZATION	BIG SKY TRUST FUND	WORKFORCE TRAINING GRANT PROGRAM	
Must be a small business SBA standards	Any legal entity, including individuals, public & private organizations and federally recognized Indian tribal groups.	Montana colleges & universities, agricultural research centers, or private laboratory or research centers (including nonprofit organizations & for-profit companies)	A local government on behalf of any business	Business must demon- strate 50% sales from outside Montana and meet other eligibility criteria. Non-profit hospital or medical centers eligible	BORROWER GRANTEE
% of the project, a limit \$1.5 million up to \$2.0 million for loans that meet public policy goal; up to \$1.0 million for certain small manufacturers'	\$10 million	No statutory limit-most grants are in the \$50,000- \$500,000 range	Statutory maximum of \$5,000 per new qualifying job created	\$5,000 per full time (average 35 hours weekly) employee meeting wage requirements (lower of county or state average weekly wage)	FUNDING LIMIT
Real property and equipment	Working capital, equipment, and real property	Any reasonable expense directly attributable to the project	Working capital, equipment and real property, job training, interest rate reduction, and relocation expenses	Training cost reduction funds for net new employees	USE OF PROCEEDS
Interest rate determined at closing via secondary market sale	Negotiated between the borrower and the lender and subject to RBS approval	Grants - N/A Loans - set by the Board	5% fixed - may be adjusted for risk	N/A	INTEREST RATE
Term for 20 yrs	Working capital: 7 yrs Equipment: 15 yrs Real Estate: 30 yrs	Projects may be funded for up to 2 years	Negotiable depending on use of funds and project needs	Performance Period: 24 months	TERM
Second lien	First lien, can subordinate accounts receivable & inventory for working capital	N/A	Can take a subordinate position, negotiable	N/A	COLLATERAL
Minimum 10% of the total project cost	New business: 20-25% Existing business: 10-15%	N/A	Case by case	N/A	EQUITY REQUIREMENTS
	Generally yes	N/A	Based on the borrower and the project	N/A	PERSONAL GUARANTEES
Based on the borrower and the project	Business plan & accountant prepared financial statements	Review of business/ organization stability	Based on the borrower and the project	Review of business feasibility - financial information required	CREDIT CRITERIA
Funding Limit	Borrowers may obtain additional funds from any other source	25% of total project costs	A dollar-for-dollar match required	One to three dollar non- WTG match	MATCHING FUND REQUIREMENTS
Processing time in weeks	1 week on preapp; 1-3 weeks on app	4-5 months	30 days from receipt of the completed application	30-60 days from receipt of complete application	AVERAGE APPLICATION TIME
Must create/retain jobs	Rural-area businesses that create employment; eligible areas include cities of less than 50,000 population	Research projects that have commercial potential	Business must create new qualifying jobs	Create ten net new jobs (average 35 hour week) Training by approved providers	QUALIFICATIONS
Must have debt financing. Long term fixed rate financing the life of the 504 loan	Guarantee to a local lender based upon loan size 80% 0-5 million 70% 5-10 million 60% 10-25 million	Grant applications must be peer-reviewed	Low interest loans and grants available	Grant funds to assist new Montana worker training	BENEFITS AND MISCELLANEOUS
Small Business Admin. 15 th Street Box 1100 Helena, MT 59626 (406) 441-1081	Rural Development RBS 900 Technology Blvd. Ste. B, Box 850 Bozeman, MT 59771 (406) 585-2540	MT Board of Research & Commercialization Technology MT Dept. of Commerce PO Box 200505 Helena, MT 59620 (406) 841-2760	Big Sky Trust Fund Business Resources Div. MT Dept. of Commerce 301 South Park Helena, MT 59620 (406) 841-2758	Job Training Grant Program, BRD MT Dept. of Commerce PO Box 200505 Helena, MT 59620 (406) 841-2736	CONTACTS

+++Rural/Business Cooperative Service